

LESSON 7

International Activities

In its relationships with foreign governments, the United States has entered into numerous treaties and agreements whereby each signatory government agrees to safeguard the classified information released to it by the other government. These range from simple bilateral agreements providing for technical assistance to multilateral treaties establishing international organizations for concerted defense. There is an increasing trend toward co-development and co-production of weapon systems. The U.S. Government officially encourages U.S. industry to become increasingly involved in foreign markets. These agreements and policies, treaties and trends all influence the international activities of participants in the National Industrial Security Program (NISP).

OBJECTIVES

At the end of this lesson you should be able to:

- State the requirement for U.S. contractor facilities to protect classified information from a foreign government.
- Discuss the roles and responsibilities of the employer, the host activity and Defense Security Service in support of U.S. contractor personnel working in support of U.S. Government contracts at foreign locations.
- Define Foreign Military Sales.
- Define Commercial Sale of military articles including classified information.
- Discuss the provisions for granting a Limited Access Authorization

FOREIGN GOVERNMENT INFORMATION

Foreign Government Information (FGI) is information that is provided to the United States by a foreign government or governments, an international organization of governments, or any element thereof with the expectation, expressed or implied, that the information, the source of the information, or both are to be held in confidence. FGI could also include that which is produced by the U.S. pursuant to, or as a result of a joint arrangement with a foreign government or governments or any element thereof, requiring that the information, the arrangement, or both, are to be held in confidence.

The U.S. government has entered into agreements with governments of many other countries in which the U.S. government agrees to protect FGI while it is in the United States. This includes that FGI that is in the possession of cleared U.S. contractor facilities. The FGI is assigned an U.S. classification that provides a degree of protection at least equivalent to that required by the entity that furnished the information. U.S. contractors are in turn required to protect the FGI at a level at least equal to the equivalent U.S. classification.

The Cognizant Security Office (CSA) (normally Defense Security Service) administers oversight and ensures implementation of the security requirements of the contract on behalf of the foreign government, including the establishment of channels for the transfer of classified material. Any classified material or information including FGI passing from the United States to a foreign entity must pass through government to government channels.

An U.S. contractor may have possession of FGI related to a contract with the U.S. government or related to a contract with the foreign government or international organization. In either case it is the obligation of the U.S. government to oversee the security procedures in place to protect that information.

Details related to the protection of FGI are found in the NISPOM Chapter 10.

OFFICE OF SECURITY SERVICES INTERNATIONAL (OSSI)

The Office of Security Services International (OSSI) provides industrial security oversight, advice, and assistance to cleared U.S. contractor employees assigned overseas; and provides support in the areas of contractor industrial security and personnel security investigations to U.S. Government activities in the international environment.

The OSSI is also available to facilitate government-to-government transmissions of classified information, act as point of contact regarding accurate and timely communications of personnel security clearance (PCL) information, provide technical support for the Electronic Personnel Security Questionnaire (EPSQ), provide security briefings and assist on international industrial security matters.

Should you have any security questions related to cleared employees located abroad or want to know more about how the OSSI office can assist you, please visit the OSSI page on the DSS internet site (www.dss.mil).

U.S. CONTRACTORS AT OVERSEAS LOCATIONS

Many cleared U.S. contractor employees work at overseas locations in support of contracts with the United States government. This includes contractor personnel who travel for temporary assignments as well as those who are assigned overseas on a long-term basis. The most common example is an employee of an U.S. government contractor who works on an U.S. military installation outside of the United States.

If a cleared contractor employee is assigned to an overseas duty location for over 90 days the employer must report this fact to DISCO. This report should include all personal identifying information, clearance information and information regarding the overseas duty location. It should also include phone numbers and other information that will help the OSSI to locate the employee to provide support, information and services. Contractor employees who are new to an overseas location or who have not had previous contact with OSSI should contact OSSI and advise that office of their location.

If a cleared contractor employee is at an overseas location for an extended period the need for that individual to retain a personnel security clearance must be re-justified every 3 years.

The requirement for adequate security education for cleared employees is particularly important for those who work outside of the United States. Contractors are required to insure that their employees receive security training commensurate with their assignments. Providing this training is a challenge for the company's security office because the employees are located far from the home office. In addition to security training that the company provides to all cleared employees, those on overseas assignments should receive Anti-Terrorism/Force Protection (AT/FP) training. CI/Threat Information relevant to the local area, instructions on handling, disclosure and storage requirements at their duty location, and any other special briefings required by the installation or activity that they are supporting. Depending on their particular duties, they may also need to receive special briefings such as NATO, COMSEC, CNWDI, etc., in accordance with the NISPOM.

It is ultimately the responsibility of the employing facility to ensure that the cleared employees receive appropriate training. In many cases, however, the contractor employees may be included in training that is provided by their host or other U.S. government activities in the area. Outstanding resources and assistance is also available through the U.S. Department of State Regional Security Officer (RSO).

Visit authorization letters to U.S. military and other U.S. Government Activities are sent from the company's home office facility directly to the U.S. activity in accordance with the requirements of NISPOM, Chapter 6, and the procedures of the host activity.

Visits to foreign governments and foreign contractors are initiated by the employing contractor facility and submitted through DISCO to the foreign government. Special procedures are required for visits to NATO facilities. These procedures are detailed in the NISPOM, Chapter 10.

The storage, custody and control of classified information required by contractor employees at overseas locations, is the responsibility of the United States Government. Storage at locations not under U.S. military or other U.S. Government Activity is prohibited. Storage of classified information at overseas divisions and subsidiaries of U.S. companies is prohibited.

Employees assigned to foreign government or foreign contractor facilities under a direct commercial sales agreement are subject to the host-nation's industrial security policies. The Defense Security Service does not have jurisdiction over those facilities.

FOREIGN MILITARY SALES

Foreign Military Sales (FMS) is that portion of U.S. security assistance authorized by the Arms Export Control Act, as amended, and conducted on the basis of formal contracts or agreements between the United States Government and an authorized recipient

government or international organization. FMS includes government-to-government sales of defense articles or defense services, from DoD stocks or through new procurements under DoD-managed contracts, regardless of the source of financing. An U.S. contractor's involvement in an FMS most commonly is selling the goods or services to the U.S. Government who in turn sells it to the foreign government. The export authorization in an FMS case is derived from the "Letter of Offer and Acceptance."

DIRECT COMMERCIAL SALES

A commercial sale (aka: direct commercial sale) is sale of defense articles or defense services made under a Department of State-issued license by U.S. industry directly to a foreign buyer, and which is not administered by DoD through FMS procedures. To apply for authorization for export of classified material the company uses a DSP Form 85. This application is processed through the Department of State, Office of Defense Trade Controls (ODTC). If approved, this form becomes the export license that is the company's authorization to export the articles included in the license.

LIMITED ACCESS AUTHORIZATIONS (NISPOM 2-210 & 2-211)

Only U.S. citizens are eligible for a security clearance. Every effort is made to ensure that non-U.S. citizens are not employed in duties that may require access to classified information. However, compelling reasons may exist to grant access to classified information to an immigrant alien or a foreign national. Such individuals may be granted a Limited Access Authorization (LAA) in rare circumstances. The NISPOM stipulates strict guidance under which a contractor employee may be granted an LAA, and limitations on the type of information that can be disclosed to an individual with an LAA.

THE ROLE OF DEFENSE INDUSTRIAL SECURITY CLEARANCE OFFICE (DISCO)

DISCO supports international activities in a variety of ways. They coordinate with foreign governments to provide and receive security assurances. When appropriate DISCO issues LAAs. DISCO facilitates visit authorization requests from U.S. contractors to foreign entities and provides numerous other services.

REVIEW EXERCISES

1. U.S. contractors are required to protect the foreign government information (FGI) at a level at least equal to the equivalent U.S. classification.

True
False

2. U.S. contractors are required to insure that their cleared employees at foreign locations receive proper security training. In some cases part of this training may be provided by the U.S. military facility where the cleared employees are stationed.

True
False

3. In a Foreign Military Sales (FMS) case an U.S. company normally sells military articles directly to a foreign government.

True
False

4. An U.S. company must receive an export authorization prior to shipping classified material to a foreign government.

True
False

5. Limited Access Authorizations are routinely granted to non-U.S. Citizens and are considered to be equivalent to a SECRET Personnel Security Clearance.

True
False

ANSWERS

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1. *True* (p. 7-1)
2. *True* (p. 7-3)
3. *False* (p. 7-3)
4. *True* (p. 7-4)
5. *False* (p. 7-4)